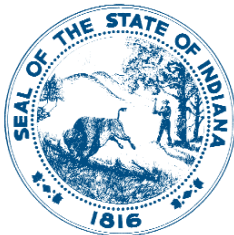


# Russ Stilwell

Indiana State Representative, District 74



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Spring, 2002

Dear Friends:

The 2002 short legislative session has ended. While we passed several important pieces of legislation, I am disappointed we did not reach agreement on a major tax restructuring plan or address the state budget deficit.

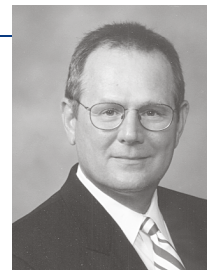
I voted for a plan in the House that would have offset expected property tax increases, created a better climate for economic growth and addressed the current state budget deficit intensified by the national recession. I believe this proposal, while not perfect, answered some of the questions about fairness and equity that have long plagued our tax systems.

I thought we should confront these issues now rather than later if we are to avoid cutting important state services, including funding for public education. Unfortunately, the opposition party in the Indiana House and Senate did not share this opinion, and we were unable to establish a compromise in the closing days of the session. It concerns me that some legislators are unwilling to do anything to address the short-term financial stability of our state. I remain hopeful that we can reach some consensus on these issues in the coming months before deeper, more painful cuts become necessary.

Despite my concerns about the budget deficit and taxes, I am pleased we did enact several proposals to help a variety of Hoosiers. We passed landmark public safety and anti-terrorism legislation, enacted important provisions that protect children and approved several health care initiatives. I have detailed a number of those new laws inside this newsletter, and I also have outlined the series of events that led to our current budget crisis.

Please contact me if you have questions or concerns about state government. You can e-mail me at H74@in.gov or call toll free at 1-800-382-9842.

Sincerely,

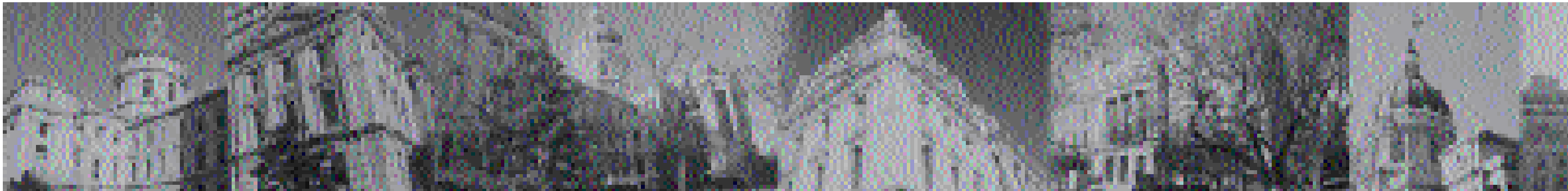


## Inside

•The budget surplus

•Sex offender registry

•Farmers' rights



Other laws  
address terrorism  
and its aftermath

Aircraft  
offenses

Senate Bill 10 permits the use of reasonable force to stop a person from hijacking or seizing unlawful control of an aircraft in flight. The bill also makes it a felony to enter a secured area of an airport, use force or violence to hijack an aircraft in flight or commit criminal confinement on an aircraft.

Nerve agents

Last year's anthrax scare evidenced the need for greater security against chemical and biological warfare. House Bill 1029 establishes training and certification standards to allow emergency medical technicians in certain counties to administer antidotes for exposure to VX nerve agents.

Victim tax relief

For those personally affected by the events of September 11, the Legislature passed Senate Bill 50, which excludes from state income tax any compensation paid to an attack victim's spouse or child.



REP. STILWELL  
ADDRESSES THE HOUSE.

Rep. Stilwell explains where the state budget surplus went

Series of tax cuts, projects helped Hoosiers

"Where did all the surplus go?"

I get that a lot these days from the people I represent in the 74th House District. It's a fair question, because it wasn't so long ago that the state of Indiana's treasury was flush and the question for lawmakers was not so much whether we were going to cut taxes, but what taxes could we cut.

How times change, huh? In less time than any of us would like, Indiana has joined the rest of the country in a recession, and as we continue to gauge the fallout from the terrible events of Sept. 11, 2001, I fear that more bad economic news is on the way.

On June 30, 1999 -- the end of the 1999 fiscal year -- the surplus balance was \$1.9 billion. That balance dropped to \$1.6 billion at the end of the 2000 fiscal year and to \$810 million by the time we reached the end of the 2001 fiscal year last June. Over that two-year period, then, the surplus declined by around \$1.2 billion.

Where did it go?

Most of it went back to you,

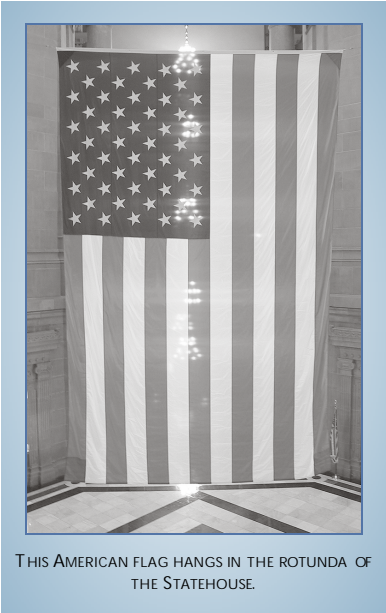
in the form of tax cuts enacted by Republicans and Democrats during the 1999 legislative session...more than \$1.2 billion, to be exact (see list at the right).

As the state's financial crisis has been debated in the media, I have been

amused to see that many pundits are fond of calling these tax cuts "poorly thought out" and "not very efficient." Take a moment to go back and look at the list in the box on this page. Those tax cuts provide benefits for just about every group of Hoosiers, ranging from young to old. Perhaps

it's best to take the opinions of some of these "experts" with a grain of salt, and remember that many special interest groups feel that the only tax cuts worth considering are the ones that benefit them.

The biennial state budget that covered the fiscal years of 1999 to 2001 also contained a number of major one-time expenditures such as funding to reduce the unfunded liability in the pension program for retired teachers and additional funding



THIS AMERICAN FLAG HANGS IN THE ROTUNDA OF  
THE STATEHOUSE.

Recent Tax Cuts Total \$1.2 Billion

- Property tax credits
- Homestead credit increase
- Public welfare cost shifts to state
- Senior citizens property tax cut
- Repeal of state add-back requirement
- Dependent child exemption increase to \$2,500
- Low income tax credit
- Inheritance tax cut
- Personal property / inventory tax cut
- Renter's reduction
- Income tax cut for seniors
- Unemployment tax cut

for local roads and streets.

Now we come to the economic slowdown, which took hold in Indiana over the past 15 months. During the 2001 fiscal year, our rate of growth fell from 4.5 to 2.7 percent, a drop in our economy that has a harsh impact on general fund revenues in our state budget.

How bad was it? For the first time since the early 1980s, general fund revenue decreased from the previous year. This slowdown cost the state nearly \$260 million. That's how much we were expecting to get from the sales, income and other collectible taxes that we didn't get.

Add together \$1.2 billion in tax cuts and \$630 million in one-time expenditures and you'll see just where the \$2 billion surplus went. It went back to the taxpayers and to Hoosier cities and towns for state and local construction projects.

The state does have money set

aside. There is a Rainy Day Fund that contains around \$570 million to be used to balance our budget at times when the economy has slowed down. There's a tuition reserve fund containing about \$265 million that can help meet shortfalls in education funding. I feel these funds must be used for the purposes in which they were intended, and I would not want to raid them for other purposes.

This is the budget picture now facing the state of Indiana. Can restructuring our tax system help rectify this situation? Perhaps, but I believe it is just as important to ensure that the budget is stable before we consider any overhaul of the system in place.

Within the framework in which we operate, I believe the Legislature has done a good job of balancing the need to fund critical state programs and returning a portion of the surplus to the people who helped create it: Indiana's taxpayers.

Sex offender  
registry expanded

Senate Bill 367 expanded the state sex offender registry.

The legislation requires a sex offender to register with the county sheriff and requires the sheriff to maintain the sex offender registry website containing photographs, address and other information about the offender.

By having a sheriff in charge of the registry, there will be one specific person held accountable for these materials. The bill also requires the criminal justice institute to send copies of the sex and violent offender directory to parties on request.

Farming Rights

Many farming issues were raised in a study committee last summer, prompting lawmakers to file a series of initiatives considered a farmer's bill of rights.

While not everything in this package became law, several important measures did succeed. In particular, third party testing will be required on seed samples taken from a farmer's land. This third party will be present to verify that both parties receive samples, help ensure valid testing and stop incidents of trespassing.

In the months ahead, advocates for farmers' rights will be working with interested parties on several important issues, such as protecting farms from inadvertent pollen drift or contaminated seed, and providing repayment of court and attorney fees for farmers found innocent in seed lawsuits.

## Telephone Privacy List still available

If you haven't yet registered for the Telephone Privacy List, you still have time. Although the list is already in effect, it is updated every three months. If you register now, your name will be included when the updated list takes effect July 1, 2002.

The Telephone Privacy List is free to Indiana residents. By adding your name, most telemarketers will be prevented by law from calling you. You only need to register once to be included.

### How to register

You may register by calling the toll-free number, 1-888-834-9969. You may also register online at the Attorney General's Website. Go to [www.in.gov/attorneygeneral](http://www.in.gov/attorneygeneral) and scroll down the page until you come to the ringing phone icon. This will take you to the Telephone Privacy List page. Click on the link that says "Register Here," and fill out the registration form.

### Certain exceptions

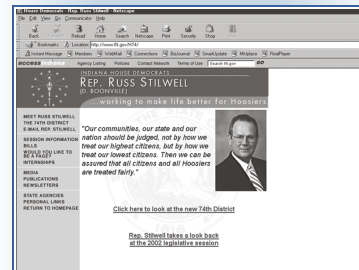
Registering with the Telephone Privacy List will not eliminate all telemarketing calls. Four types of solicitors are exempt from the law: Charitable organizations using volunteers or employees to make calls; newspapers using employees to make calls; insurance agents; and realtors.

### Violations

If you receive a telemarketing call from someone other than the exceptions listed above after the list becomes effective, you may down-

load a complaint form from the Attorney General's Website or call 1-812-355-5915. If a company is in violation, the Attorney General's Office may issue a court order to prevent further calls and may seek a fine of up to \$25,000.

**Stay informed about this  
and other issues online  
with Representative Stilwell**



**Web: [www.in.gov/H74](http://www.in.gov/H74)**

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